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United States Bankruptcy Court
District of Nevada

In Re:

USA Commercial Mortgage Company, Inc.

2007 AUG 13 PM 2:55
U.S. BANKRUPTCY COURT
MARY A. SCHUBERT, CLERK

Case No. BK S 06-10725 LBR

Hearing Date: October 15, 2007

Time: 10 AM

Place: Foley Federal Building

Courtroom No. 1

300 Las Vegas Blvd So.

Las Vegas NV 89101

Objection to Debtors Motion for Summary Judgment

Comes now Erna D. Grundman and Joanne M. Grundman Direct Lenders [herein known as Lenders] under Claim(s) 10725-01544. From June 2004 to present, Lenders invested in Fiesta Valley Oak aka Oak Mesa, a first deed of trust serviced by USA Commercial Mortgage Company [herein known as Debtor] which is owned by USA Capital.

Lenders object to Debtor's Summary Motion requesting the Court to reclassify Lenders' claims from secured priority to general unsecured claims. Debtor alleges said claims do not fall within the ten types of claims entitled to priority status under Chapter 11, Section 507 of the US Bankruptcy Code.

In Debtor's Motion of July 30, 2007, Section II. Facts, Paragraph 17. *"USACM has no property that serves as collateral for the Direct Lender loans serviced by USACM. There is no document or other evidence that any of the holders of the Disputed Secured Claims were granted a security interest in any property of USACM...under applicable law."*

Fiesta Oak Valley was to mature on or about December 18, 2005. Instead, Debtor extended the loan and failed to inform Lenders the loan was non-performing as required under the loan service agreement [on file with the Court] and continued paying Lenders monthly interest [netting liability]. Because the Debtor is also an investor in said loan, their actions benefited their interest rather than those of the Lenders.

Based on the aforementioned, Lenders contend that Debtor does have property that serves as collateral for the Direct Lenders. Court is aware of same, and is holding the Fiesta Oak Valley loan as collateral. Lenders contend that their claims meet US Bankruptcy Code, Chapter 11, Subsection 507.10(b). Lenders request the Court to reject Debtor's Summary Motion, and to grant Lenders other relief as deemed proper.

Lenders have served a copy of this Response via US Postal Service first class mailing to Debtor's counsel Lewis and Roca Attn: Susan M. Freeman, 3993 Howard Hughes Parkway, Suite 600 Las Vegas, Nevada 89169.

Respectfully Submitted on August 11, 2007

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